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AIRPORT DEPARTMENT

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

ANNUAL REPORT

SAN FRANCISCO INTERNATIONAL AIRPORT

FISCAL YEAR 1966-67

GEORGE F. HANSEN
General Manager

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PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO INTERNATIONAL AIRPORT

ANNUAL REPORT

Fiscal Year 1966-67

Owned by the City and County of San Francisco, San Francisco International Airport is operated as a municipal department under the jurisdiction of the city's Public Utilities Commission.

FOREWORD

Founded in June of 1927 as Mills Field, San Francisco International Airport marked its 40th Anniversary shortly before the end of the fiscal year. During those four decades, the Airport grew from 155 acres of leased pasture lands--with a 1,700 foot graded dirt landing strip and a frame farmhouse type structure as an administration building--to the Free World's fifth busiest aviation center in terms of air passengers, cargo and scheduled airline movements.

Today, the Airport is situated on 2,200 acres with an additional 3,000 acres of San Francisco Bay tidelands available for future expansion and for use as clear zones for arriving and departing aircraft.

During fiscal 1966-67, all-time highs in almost every category of air operations were recorded at SFIA. These records, given in detail in this report, again emphasize the vital need for expeditious expansion and development in order that the Airport may meet the foreseeable new challenges of the airline industry in the decade ahead.

The following pages provide detailed data on air traffic, fiscal matters and other subjects related to Airport operations during the 1966-67 fiscal year.

AIR TRAFFIC

Passenger:

Air passengers through San Francisco International Airport totaled 11,311,969 for 1966-67, an increase of 12.1 over the previous fiscal year. (A 43-day strike during parts of July and August of several of the major airline tenants substantially reduced the year's passenger figures. Totals for other traffic categories will reflect similar reductions.)

The June figure of 1,197,481 was an all-time high for any single month in Airport history.

A steady growth in passenger traffic since the opening of the Central Terminal Building early in the 1954-55 fiscal year is evidenced by the following annual totals and percentage gains over the previous year:

Year	Passengers	Gain Over Previous Year
1954-55	2,879,366	16.1 per cent
1955-56	3,282,444	14.0 " "
1956-57	3,684,830	12.3 " "
1957-58	4,046,524	9.8 " "
1958-59	4,275,675	5.7 " "
1959-60	5,017,479	17.3 " "
1960-61	5,051,650	.7 " "
1961-62	5,706,640	13.0 " "
1962-63	6,352,389	11.3 " "
1963-64	7,448,244	17.3 " "
1964-65	8,349,365	12.1 " "
1965-66	10,089,150	20.8 " "
1966-67	11,311,969	12.1 " "

Air Freight:

Total freight shipments of 448,379,048 pounds represented a 14.8 per cent gain over the 390,565,093 pounds for the previous year.

Air freight totals since fiscal 1954-55 are:

Year	Total in Pounds	Gain Over Previous Year
1954-55	49,989,422	23.5 per cent
1955-56	66,534,120	33.1 " "
1956-57	80,291,729	20.7 " "
1957-58	79,756,359	-.7 " " (decrease)
1958-59	95,188,494	19.3 " "
1959-60	102,903,703	8.1 " "
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1963-64	190,010,670	26.3 " "
1964-65	281,854,465	48.3 " "
1965-66	390,565,093	38.5 " "
1966-67	448,379,048	14.5 " "

U. S. Mail:

Shipments of U. S. Mail by air totaled 197,889,849 pounds, a gain of 38.8 per cent over 1965-66. Of the total, 22,827,302 pounds were first class mail. It should be noted that a substantial portion of the increase in air mail volume is due to military activities in the Far East, however the total poundage was at a record high.

Air Express:

Air express volume of 17,044,933 pounds was a gain of 13 per cent over the previous year and also was an all-time high.

Aircraft Movements:

Landings and take-offs by scheduled airline aircraft numbered 240,669 for the year, a gain of 7.3 per cent over 1965-66. Additionally, there were 58,237 movements by other aircraft classifications including non-scheduled carrier, military and itinerant or locally-based private and/or corporate planes for a total of 298,908.

AIRCRAFT FUEL SALES

The increase in aircraft movements resulted in a substantial gain in sale of aircraft fuel which totaled 428,872,331 gallons, up 15.48 per cent from 1965-66.

FISCAL DATA

Revenues:

Gains in air traffic brought parallel increases in revenues which totaled $14,077,797, up 15 per cent from the previous year. The total includes amortization of lessee improvements amounting to $197,221. (Also, worthy of note is the estimate that the year's revenues were curtailed by some $700,000 due to the airline strike last July-August).

Principal revenue items and comparisons with 1965-66 were:

	1966-67	1965-66
Air Carrier Flight Operations	$2,590,448	$2,369,216
Rentals	3,761,137	3,265,931
Concessions-		
Restaurant & Bar	993,914	846,738
News-stand, Gifts & Sundries	287,023	244,138
Garage, Parking Lots & Valet Service	2,603,146	2,029,705
Taxi Service	231,326	218,247
Other Ground Transportation	187,767	162,017
Parking Meters	52,641	39,843
Car Rentals	1,306,246	1,287,000
Hotel (Hilton Inn)	185,463	157,097
Auto Service Stations	53,399	45,088
Other	491,697	405,908
Other Income	1,333,590	1,168,282
Total	$14,077,797	$12,239,210

Expenditures:

As has been the case for the last 10 years, all expenditures for Airport operations plus all debt service costs were paid out of revenues.

Principal items of operations costs were:

	1966-67	1965-66
Salaries, Wages & Retirement	$2,408,070	$2,181,205
Fire Department	405,008	327,730
Services--Other Departments	404,935	355,393
Contractural Services, Materials & Supplies	1,705,325	510,118
Other	356,873	1,368,414
Total	$5,280,211	$4,742,860

Airport bonded debt--interest and redemptions-totaled $2,696,175.

Also paid out of revenues was $294,453 in real estate taxes to San Mateo County.

SUMMARY

	1966-67	1965-66
Revenues	$14,077,797	$12,239,210
Expenditures-		
Operations	$5,280,211	$4,742,210
Debt Service	$2,696,175	$3,246,519
Taxes (San Mateo County)	$294,453	$238,058
Book Value	$94,518,238	$94,363,740
Number of Employees (excluding Fire-Rescue Dept.)	282	256
Passenger total	$11,311,969	$10,089,150
U. S. Mail (pounds)	197,889,849	142,619,601
Air Cargo (pounds) includes Freight and Express	465,423,981	405,653,145
Aircraft Movements	298,908	284,736

AIRLINES

Two new airline tenants--Air California and Canadian Pacific Air Lines--were welcomed to the Airport during the year, and one (Slick Airways, an all-cargo carrier acquired by Airlift International) suspended common carrier operations.

The 18 passenger airlines and one all-cargo carrier at San Francisco International Airport offer scheduled service ranging from local helicopter trips to global jet operations. These services place San Francisco within a few hours flying time of any major city in the United States and offer direct or connecting flights to virtually all areas of the Free World.

The roster of scheduled air carriers serving San Francisco is:

1. Air California
2. American Airlines
3. British Overseas Airways
4. Canadian Pacific Air Lines
5. Delta Air Lines
6. Flying Tiger Line (cargo)
7. Japan Air Lines
8. Lufthansa German Airlines
9. National Airlines
10. Pacific Air Lines
11. Pacific Southwest Airlines
12. Pan American World Airways
13. Philippine Air Lines
14. Qantas Empire Airways
15. SFO Helicopter Airlines
16. Trans World Airlines
17. United Air Lines
18. West Coast Airlines
19. Western Airlines

PERSONNEL

At the end of the year, Airport Department employees numbered 282--an increase of 26 from a year previous. The roster included administration, operations, communications, maintenance and custodial personnel.

FIRE DEPARTMENT

Fire-fighting and crash-rescue activities are under the supervision of the Airport Division of the San Francisco Fire Department. The Division is comprised of 39 men under command of a S.F. Fire Department captain who has the title of Airport Fire Marshal. All personnel are paid from Airport Department funds, and eleven pieces of equipment are provided by the Airport. The Division responded to 1,554 alarms during the year as follows: Standby alerts for possible peril to arriving aircraft, 406; fire alarms, 229; fuel spills on Aircraft apron areas, 120; first aid, 645; bomb hoaxes, 8; and miscellaneous, 146.

CONSTRUCTION

Growth of the Airport continued unabated during the year, although construction by the city was on a reduced scale from recent years.

Construction for the Airport Department completed in the year was estimated at $1,267,511 including in-runway lighting installation and baggage system expansion and modification. At the end of the year, construction contracts totaling $1,085,777 were in progress.

Tenant-completed construction contracts amounted to $13,618,777 and included the United Air Lines cargo facility; home offices and maintenance base for Pacific Air Lines; the Pan American World Airways training center; and the new facility for handling mail built for the U. S. Post Office Department at a cost in excess of $3,500,000.

As the year ended, tenant contracts totaling $9,889,780 were under way. These included an office facility and maintenance base for Western Airlines, and new cargo handling facilities for American Airlines and Pan American World Airways.

TENANT RELATIONS

Airport management meets regularly with four principal air carrier committees to discuss and solve problems of mutual interest. The committees are:

1. Airline Coordinating Committee, comprised of station managers and/or other delegated airline representatives, which primarily is concerned with over-all operational matters.
2. Airport Facilitation Committee, composed of representatives of foreign flag and U.S. international air carriers and the federal inspection agencies--Customs, Immigration and Naturalization, Public Health Service and Department of Agriculture. Its major purpose is to coordinate activities of the international airlines and to expedite examination procedures as related to passenger and cargo arrivals from foreign points.

3. The Airlines' Technical Subcommittee is formed from technical personnel concerned with airfield problems--runways, taxiways, navigational aids, etc.--related to the safe operation of aircraft.

4. Major areas of concern of the carriers' Property Committee is development and maintenance of Airport properties and facilities, both leased and common use areas.

Special group meetings are called with airlines and other tenants, as occasions arise, to confer on subjects of mutual interest. And, of course, numerous meetings are held with individual tenants when problems develop in their particular areas of activities.

COMMUNITY RELATIONS

Increased endeavors to develop and maintain good community relations have brought satisfactory results. They include an agreement with San Bruno in the organization of a drainage district to eliminate the nuisance and possible peril resulting from rain run-off from the hills during the winter months, and agreement with San Bruno and South San Francisco to utilize excess capacity of their jointly-owned sewage treatment plant.

Conferences, both formal and informal, were held with San Mateo County officials and representatives of communities adjacent to the Airport for discussing matters of mutual concern relative to Airport operations, and to provide information relative to plans for expansion and development.

The Airport's participation with the airlines in the maintenance of a Sound Abatement Center continued with the objective directed at keeping cause for complaints about jet noise at a minimum.

A program of keeping San Mateo County residents abreast of Airport growth and expansion plans was continued through regular information given to news media and by talks of the Airport administrative staff to meetings of civic organizations.

ECONOMIC BENEFITS

As the major transportation center of Northern California, San Francisco International Airport continues to be an impelling force in the Bay Area's economy. Capital investments by the City and County of San Francisco, together with those of the airlines and other tenants, are estimated to be well in excess of $225 million. More than 25,000 persons are employed at the Airport, with a payroll of approximately $200 million. Additionally the air carriers and firms providing services directly related to airline operations employ no less than 6,500 persons in off-Airport work and these have an annual payroll estimated at $50 million.

The Airport is also a major factor in attracting industry to the area by providing fast transportation for products and people--a service vital to the electronic/nuclear age as well as to perishable agriculture crops.

LOOKING AHEAD

During the fiscal period it was determined that responsibility for planning the development of the San Francisco International Airport should be directed by a staff assigned to the Airport Department in order to retain closer control of expansion programs with the result that, effective April 1, a Planning and Development Division under the Airport General Manager was created headed by an Assistant General Manager.

A criteria was established to select controlling design architects for expanded terminal facilities and planning sessions were scheduled with airline tenants to establish future facilities requirements. The new planning and development section will initially be concerned with projects included in the $98 million Airport bond proposal.

CONCLUSION

San Francisco International Airport is maintaining its reputation of being one of the Free World's major commercial air transportation centers. During fiscal 1966-67, representatives of foreign airports and groups from numerous United States airports made special visits to the San Francisco International Airport to inspect its operations and obtain briefings on expansion programs.

In projections of air passenger and cargo traffic growth as related to expansion plans under the $98 million Airport bond proposal it was estimated that the passenger total will reach 20 million and that cargo volume will be in excess of 650,000 tons by fiscal 1972-73.

* * *

SAN FRANCISCO INTERNATIONAL AIRPORT

REVENUE PASSENGERS

Month	Passengers In and Out 1966-67	Passengers In and Out 1965-66	Change %	Passengers On and Off 1966-67	Passengers On and Off 1965-66	Change %
July	820,973	862,515	(4.8)	767,949	833,613	(7.9)
August	888,529	942,871	(5.8)	833,653	908,565	(8.2)
September	977,590	834,018	17.2	943,140	805,138	17.1
October	967,118	793,105	21.9	939,276	764,423	22.9
November	862,485	745,047	15.8	833,335	723,999	15.1
December	947,440	822,594	15.2	912.090	789,188	15.6
January	903,771	785,659	15.0	869,461	755,805	15.0
February	811,400	688,113	17.9	777,088	662,693	17.3
March	1,018,806	792,461	28.6	976,374	759,983	28.5
April	938,780	885,800	6.0	910,112	856,454	6.3
May	977,596	875,688	11.6	938,846	853,512	10.0
June	1,197,481	1,061,279	12.8	1,149,315	1,027,419	11.9
Fiscal Yr.Tot.	11,311,969	10,089,150	12.1	10,850,639	9,740,792	11.4

SAN FRANCISCO INTERNATIONAL AIRPORT

MAIL BY AIR and AIR EXPRESS-FREIGHT

Month	1st Class and Air Mail Pounds 1966-1967	1965-66	Change %	Air Express/Freight Lbs. 1966-67	1965-66	Change %
July	12,835,990	8,000,157	60.4	29,222,379	30,810,650	(5.2)
August	13,576,457	8,682,001	56.4	33,740,698	33,158,265	1.8
September	14,108,916	9,373,194	50.5	40,703,906	34,270,873	18.8
October	15,506,877	10,324,367	50.2	43,327,628	35,789,525	21.1
November	18,183,409	11,086,171	64.0	40,139,055	31,464,848	27.6
December	23,997,213	17,590,521	36.4	38,584,353	32,730,021	17.9
January	16,087,450	11,543,539	39.4	35,060,067	27,525,323	27.4
February	15,144,204	11,539,847	31.2	33,261,258	28,785,063	15.6
March	17,587,535	13,476,506	30.5	39,639,073	34,905,545	13.6
April	16,702,189	13,750,050	21.5	38,530,969	34,634,550	11.3
May	17,727,279	13,134,245	35.0	45,003,124	40,333,043	11.6
June	16,432,330	14,119,003	16.4	48,211,471	41,245,439	16.9
Fiscal Year Total	197,889,849	142,619,601	38.8	465,423,981	405,653,145	14.7

SAN FRANCISCO INTERNATIONAL AIRPORT

AIRCRAFT MOVEMENTS

(Landings & Take-Offs)

Month	Air Carrier 1966-67	Air Carrier 1965-6	Change %	Itinerant 1966-67	Itinerant 1965-66	Change %	Local 1966-67	Local 1965-66	Change %	Total 1966-67	Total 1965-66	Change %
July*	14,158	17,868	-20.8	7,078	5,149	37.5	195	221	-11.8	21,431	23,238	-7.8
August*	15,696	18,692	-16.0	6,643	5,266	26.1	228	150	52.0	22,567	24,108	-6.4
September	20,588	18,359	12.1	5,428	4,921	10.3	111	274	-59.5	26,127	23,554	10.9
October	21,152	18,986	11.4	5,238	5,155	1.6	120	248	-51.6	26,510	24,389	8.7
November	20,283	18,021	12.6	4,346	3,868	12.4	114	179	-36.3	24,743	22,068	12.1
December	21,284	18,653	14.1	3,310	3,453	-4.1	88	264	-66.7	24,682	22,370	10.3
January	21,017	18,637	12.8	3,651	3,807	-4.1	119	167	-28.7	24,787	22,611	9.6
February	19,441	17,151	13.4	3,977	3,738	6.4	75	239	-68.6	23,493	21,128	11.2
March	21,885	19,014	15.1	4,056	4,869	-16.7	158	340	-53.5	26,099	24,223	7.7
April	21,026	18,964	10.9	3,609	5,189	-30.5	79	400	-80.3	24,714	24,553	.7
May	22,161	20,226	9.6	4,999	5,651	-11.5	76	234	-67.5	27,236	26.111	4.3
June	21,978	19,714	11.5	4,425	6,477	-31.7	116	192	-39.6	26,519	26,383	.5
Fiscal Yr. Total	240,669	224,285	7.3	56,760	57,543	-1.4	1,479	2,908	-49.1	298,908	284,736	5.0

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Joseph Alioto, Mayor

ANNUAL REPORT

SAN FRANCISCO INTERNATIONAL AIRPORT

Fiscal Year 1967-68

Owned by the City and County of San Francisco, San Francisco International Airport is operated as a department under the jurisdiction of the city's Public Utilities Commission - -

William E. McDonnell, President

Oliver M. Rousseau, Vice President

Richard N. Goldman

Joseph J. Diviny

H. Stephen Chase

James K. Carr, General Manager of Public Utilities

George F. Hansen, Airport General Manager

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SAN FRANCISCO INTERNATIONAL AIRPORT

967-68

MAIL BY AIR and AIR EXPRESS-FREIGHT

Comparative Traffic Report

Month	First Class and Air Mail Pounds 1967-68	First Class and Air Mail Pounds 1966-67	Change %	Air Express-Freight Pounds 1967-68	Air Express-Freight Pounds 1966-67	Change %
July	15,834,856	12,835,990	23.4	43,086,219	29,222,379	47.4
August	17,213,781	13,576,457	26.8	45,158,698	33,740,698	33.8
September	15,953,717	14,108,916	13.1	43,387,801	40,703,906	6.6
October	19,034,655	15,506,877	22.7	45,482,946	43,327,628	5.0
November	21,433,557	18,183,409	17.9	41,673,094	40,139,055	3.8
December	28,640,029	23,997,213	19.3	39,353,883	38,584,353	2.0
January	19,562,112	16,087,450	21.6	36,031,948	35,060,067	2.8
February	20,321,430	15,144,204	34.2	38,008,325	33,261,258	14.3
March	22,902,831	17,587,535	30.2	43,406,021	39,639,073	9.5
April	21,641,668	16,702,189	29.6	40,383,816	38,530,969	4.8
May	23,248,256	17,727,279	31.1	52,498,760	45,003,124	16.7
June	21,518,897	16,432,330	30.9	49,219,232	48,211,471	2.1
Fiscal Year Total	247,305,789	197,889,849	24.9	517,690,743	465,423,981	11.2

SAN FRANCISCO INTERNATIONAL AIRPORT

PASSENGER VOLUME

Month	Passengers In and Out 1967-68	Passengers In and Out 1966-67	Change %	Passengers On and Off 1967-68	Passengers On and Off 1966-67	Change %
July	1,235,364	820,973 *	50.5	1,195,158	767,949	55.6
August	1,367,213	888,529 *	53.9	1,333,001	833,653	59.9
September	1,161,443	977,590	18.8	1,108,255	943,140	17.5
October	1,056,890	967,118	9.3	1,017,148	939,276	8.3
November	977,961	862,485	13.4	943,821	833,335	13.2
December	1,077,106	947,440	13.7	1,029,472	912,090	12.9
January	992,493	903,771	9.8	949,517	869,461	9.2
February	921,925	811,400	13.6	882,741	777,088	13.6
March	1,061,031	1,018,806	4.1	1,015,827	976,374	4.0
April	1,100,623	938,780	17.2	1,055,879	910,112	16.0
May	1,105,431	977,596	13.1	1,064,809	938,846	13.4
June	1,374,717	1,197,481	14.8	1,332,263	1,149,315	15.9
Fiscal Year Total	13,432,197	11,311,969	18.7	12,927,891	10,850,639	19.1

*Strike in effect July 8, 1966 through August 20, 1966

San Francisco International Airport is the free world's fourth largest in terms of air passenger volume, third in air cargo, and ranks fifth in scheduled air carrier movements -- landings and take-offs.

As the aerial Golden Gateway to the free world for all of northern California and portions of western Nevada and southern Oregon, it serves a region greater than the area of forty-seven of the United States, and a population outnumbering that of forty-three states.

Founded in June of 1927, the airport has grown from 155 acres of leased pasture-lands, with a 1,700-foot graded dirt landing strip and a frame farmhouse type structure as an administration building, to approximately 5,500 acres, including 3,000 acres of bay tidelands.

During the 1967-68 fiscal year, new highs were established in virtually every facet of activities -- passenger volume, mail and air freight shipments, aircraft movements -- landing and take-offs -- and revenues. Details are to be found under properly titled sub-sections.

The 12-month growth rate was slightly below that of the airline industry nationally but was attributable, in part, to diversion of air travelers to Oakland and San Jose.

Like most other commercial air hubs, the bay area is faced with considerably larger traffic volumes than was predicted a few years past. Passenger volume at San Francisco International Airport has more than doubled in five years, while air cargo shipments have almost tripled in the same period.

There is recognition that San Francisco International Airport must expand its facilities at a rate to keep pace with the ever-increasing demands of the airline industry which is planning to replace its present family of jetliners with "super" jets which can carry up to 450, or even more, passengers.

The following pages contain detailed data on air traffic, fiscal matters, and other subjects related to airport operations during fiscal 1967-68.

AIR TRAFFIC

Passengers:

Air travelers passing through San Francisco International Airport during 1967-68 numbered 13,432,197, a gain of 18.7 percent over the previous fiscal year. (A 43-day strike during parts of July and August in 1966 curtailed operations of several major airline tenants and substantially reduced the 1966-67 fiscal year's passenger totals, and thus the percentage increase shown is somewhat inflated. After making allowances for the loss in 1966-67, a more realistic passenger growth rate would be perhaps 13 per cent. Totals for other traffic categories will reflect similar inflated growth rates.)

June's passenger total of 1,374,717 was an all-time high for any single month in airport history.

The steady growth in passenger traffic at San Francisco International Airport since the opening of the Central Terminal Building early in the 1954-55 fiscal year is shown in the following annual totals with percentage gains over previous years.

Year	Passengers	Gain Over Previous Year
1954-55	2,879,366	16.1 per cent
1955-56	3,282,444	14.0 " "
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1962-63	6,352,389	11.3 " "
1963-64	7,448,244	17.3 " "
1964-65	8,349,365	12.1 " "
1965-66	10,089,150	20.8 " "
1966-67	11,311,969	12.1 " "
1967-68	13,432,197	18.7 " "

Air Freight:

Air freight shipments totaled 503,295,572 pounds, a 12.2 percent gain over the previous year. (Adjustments for the 1966 airline strike would make an increase of some 8.6 percent as more realistically indicating the true growth rate.)

Air freight totals since fiscal 1954-55 are:

Year	Total in pounds	Gain Over Previous Year
1954-55	49,989,422	23.5 per cent
1955-56	66,534,120	33.1 " "
1956-57	80,291,729	20.7 " "
1957-58	79,756,359	-.7 " "
1958-59	95,188,494	19.3 " "
1959-60	102,903,703	8.1 " "
1960-61	109,886,490	6.8 " "
1961-62	136-989,358	24.7 " "
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1963-64	190,010,670	26.3 " "
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1965-66	390,565,093	38.5 " "
1966-67	448,379,048	14.5 " "
1967-68	503,295,572	12.2 " "

U. S. Mail:

Air shipments of U.S. Mail totaled 247,305,790 pounds, up 25 percent over 1966-67. The increase is primarily attributable to larger volumes of first class mail shipped by air and to mail shipments to military personnel in the Far East.

Air Express:

Air express volume of 17,005,674 pounds was a decline of 0.23 percent from the previous year.

Aircraft Movements:

Scheduled carrier aircraft made a total of 283,920 landings and take-offs during the year, up 17.9 percent from 1966-67. Additionally, there were 57,309 movements by military and general aviation (non-scheduled carrier and itinerant or locally-based private and/or corporate planes) aircraft for a total of 341,229.

AIRCRAFT FUEL SALES

Aircraft fuel sales of 583,070,256 gallons represented a gain of 35.9 percent over the previous 12 months which largely was a reflection of increased aircraft movements.

FISCAL DATA

Revenues:

Operating revenues totaling $15,653,228 represented an increase of 11.2 per cent over the previous year. The total includes $219,238 in amoritization of lessee-financed improvements. (Also, allowing for curtailed revenues due to the airline strike in July and August of 1966, the percentage gain would be somewhat less.)

Principal revenue items during 1967-68 and comparisons with the previous year were:

	1967-68	1966-67
Air Carrier Flight Operations	$3,051,465	$2,590,448
Rentals (a)	3,541,248	3,761,137
Concessions:		
Restaurant & Bar	1,026,839	993,914
Newsstand, gifts and sundries	338,847	287,023
Parking garage, lots and valet service	2,828,647	2,603,146
Taxi service	273,188	231,326
Other ground transportation	205,417	187,767
Parking Meters	66,798	52,641
Car rentals	1,547,757	1,306,246
Hotel (Hilton Inn)	189,928	185,463
Auto Service Stations	59,599	53,399
Miscellaneous (a)	765,491	491,697
Other Income	1,758,004	1,333,590
Totals	15,653,228	14,077,797

(a) 3 items totaling $347,682 changed from rental to concession classifications.

Expenditures:

For the 11th consecutive year, all airport operation expenses, debt service costs and taxes were paid out of revenues.

Principal items of operations costs were:

	1967-68	1966-67
Salaries, wages and retirement	$2,706,748	$2,408,070
Fire Department	413,484	405,008
Services - Other Departments	447,934	404,935
Contractural Services, Materials and Supplies	1,915,698	1,705,325
Other	662,000	356,873
	6,491,043	5,280,211

Interest and redemptions on outstanding Airport Department bonds amounted to $3,196,500.

Also paid out of revenues was $294,690 in real estate taxes to San Mateo County.

SUMMARY

	1967-68	1966-67
Revenues	$15,653,228	$14,077.797
Expenditures -		
Operations	6,491,043	5,280,211
Debt Service	3,196,500	2,696,175
Taxes (San Mateo County)	294,690	294,453
Book Value	100,009,183	94,518,238
Number of Employees (excluding Fire/Rescur Division)	282	282
Passenger Total	13,432,197	11,311,969
U.S. Mail Shipments (Pounds)	247,305,789	197,889,849
Air Cargo Shipments -- includes freight and express (pounds)	520,301,246	465,423,981
Aircraft Movements	341,229	298,908

AIRLINES

Seventeen passenger airlines and one all-cargo carrier serve the San Francisco market area.

Service offered ranges from a short seven-minute helicopter trip from San Francisco's downtown heliport adjacent to the Ferry Building to around-the-world flights.

Two airline tenants, Pacific Air Lines and West Coast Airlines were part of a merger into Air West which was completed as the fiscal year ended. Bonanza Airlines, based in Phoenix, Arizona, was included.

Scheduled air carriers at San Francisco International Airport are:

1. Air California
2. Air West
3. American Airlines
4. British Overseas Airways
5. Canadian Pacific Air Lines
6. Delta Air Lines
7. Flying Tiger Line (cargo)
8. Japan Air Lines
9. Lufthansa German Airlines
10. National Airlines
11. Pacific Southwest Airlines
12. Pan American World Airways
13. Philippine Air Lines
14. Qantas Airways
15. SFO Helicopter Airlines
16. Trans World Airlines
17. United Air Lines
18. Western Airlines

PERSONNEL

Airport Department Employees numbered 282 as the year ended. This was the same as for the previous year and included administration, operations, communications, maintenance and custodial personnel.

FIRE/RESCUE DIVISION

Fire-fighting and crash/rescue activities are directed by the Airport Division of the San Francisco Fire Department. The personnel, comprised of 40 men under supervision of a S.F.F.D. captain who holds the title of Airport Fire Marshal, is paid out of Airport funds. Eleven pieces of equipment and all supplies are provided by the Airport. The Division responded to 1,869 alarms during the year ranging from requests for first aid to standby alerts for possible peril to arriving aircraft.

CONSTRUCTION

Expansion of airport facilities both by the city and by tenants continued at a rapid pace during the year.

City contract work totaling $2,521,854 was performed during the year with $3,260,448 in uncompleted work under contract as the year ended.

Airlines and other tenants completed work valued at $6,793,939 with $6,726,468 in uncompleted contracts.

Major works completed during the year included:

City -- Runway and taxiway improvements, $557,413; Cargo Building 5A, $106,152, and fill and paving of employees parking lot, $142,263.

Tenants -- Airborne Freight Corp. annex, $475,000; Atlantic Richfield Oil Corp. added fuel storage and related facilities, $575,000; Flying Tiger Line, improvements to hangar, $211,000; Texaco, Inc., facilities expansion etc. $232,000; United Air Lines, Maintenance Base expansion, $2,600,000, and Maintenance Base modifications, $983,879 and parking lot expansions and improvements at Maintenance Base, $146,745.

Principal uncompleted projects at the year end were:

City -- Fill for extension of Runway 28-Right, $2,151,600; Taxiway G pavement extension and pavement reconstruction on Taxiway F, $587,550 and sewage pumping station No. 8 and related work, $124,777.

Tenants -- Pacific Southwest Airlines, jet loading facilities and reservation system, $145,400; Standard Oil Co., extension hydrant fueling facilities, $180,000; United Air Lines, B-747 hangar and facilities including site development, $8,000,000; Western Airlines hangar and freight facility, $3,800,000, and Pan American World Airways, cargo building and related facilities, $1,403,000.

TENANT RELATIONS

Top echelon airport staff members meet regularly with four principal air carrier committees to discuss and endeavor to solve issues of common interest. The committees are:

1) Airlines Coordinating Committee, with membership comprised of station managers and/or other delegated airline representatives, which principally is concerned with operational matters as a whole.

Tenant Relations (cont.)

2) Airlines Facilitation Committee, with membership from foreign flag and U.S. international air carriers and from the federal inspection agencies -- Customs, Immigration & Naturalization, Public Health Service and Department of Agriculture. The major goal is to coordinate activities of airlines serving foreign nations and to simplify and/or expedite examination-inspection procedures as related to passengers and cargo from outside the U.S.

3) Airlines Technical Committee members are technical personnel of the air carriers who principally are involved in airfield problems -- runways, taxiways, navigational aids, etc. -- related to the safe operation of aircraft.

4) The Airlines Property Committee has as its major concern the development and maintenance of airport properties and facilities, both in leased and common use areas.

Special meetings are held with airlines and other tenants, as required, for talks on topics of mutual interest. And numerous conferences are held with individual tenants where problems develop in their specific areas of acitivities.

It seems pertinent to mention the Airport Executives Club, an informal group of upper echelon personnel from airlines and other tenants. This no-officers, no-dues group meets twice monthly for luncheon and its especial value to Airport Management is that close and frequent association of the members permits the settlement of many minor disputes before they become major problems.

COMMUNITY RELATIONS

Efforts to maintain good relations with San Mateo County and with communities adjacent to the airport is a continuing program of airport management.

Conferences, both formal and informal, were held with county officals and with representatives of the communities for discussion of matters of mutual interest relative to the operation of the airport, and to provide up-to-date information on plans for airport expansion and development.

Participation with the airlines in the maintenance of a Sound Abatement Center was continued with the goal of activities directed at keeping at a minimum the cause for complaints resulting from jet aircraft operations. The success of this program perhaps can best be evaluated from the fact that since the founding of the Sound Abatement Center in 1960, the average number of adverse reports monthly has remained at a constant level while the number of jet aircraft landings and take-offs has increased approximately ten times.

A program of keeping San Mateo County residents, particularly those in the northern part of the county, informed of airport expansion plans made necessary by increased air traffic was continued through regular information to news media and by talks to civic organizations by members of the airport administrative staff.

Recognition should be given to the San Mateo County Development Association and its director and executive vice president, Henry Bostwick Jr. for the close support given the airport in all of its endeavors.

ECONOMIC BENEFITS

San Francisco International Airport's contribution to the economy of the Bay Region continued to increase. As one of the largest concentrations of employment in the area, it is a compelling force in the financial well-being of all of northern California.

Economic Benefits (cont.)

The number of persons employed at the airport is approaching 28,000 with a combined annual payroll of $235 million. Additionally, approximately 7,000 off-airport jobs are directly related to airline operations. These have an annual payroll estimated at some $60 million.

Capital investments by the City and County of San Francisco combined with those of the airlines and other major tenants are in excess of $225 million.

The airport continues to be a major factor in attracting new industry to the area by providing fast and reliable transportation for people and products.

DOWNTOWN HELIPORT

Helicopter service between downtown San Francisco and the airport was resumed in January of 1968 upon completion of a new heliport and terminal facility north of but adjacent to the Ferry Building.

This service had been suspended for approximately four years due to safety reasons.

PLANS FOR FUTURE

Voter approval of a $98 million Airport Bond Issue in November of 1967 paved the way for an ambitious program of expansion and development expected to exceed $110 million. The amount in excess of the bond issue will come from revenues.

Following approval of the bond issue, a maximum effort was made to bring into effect the basic plans for expansion of the passenger terminal complex.

The architectural firms of John Carl Warneke & Associates and Dreyfuss and Blackford, in a joint venture, were selected to make a definitive plan study involving terminal buildings, public parking and airport entrance roadways.

Quinton Engineers, Ltd. was selected as a consultant to the Airport on problems relating to aircraft parking on the terminal aprons, taxiway circulation and associated airfield activity.

Plans for Future (cont.)

Expansion of the passenger terminal complex will require relocation of many airport/airline supporting functions. This, in turn, demands that large parcels of land be made available to satisfy those needs.

Part of the needed additional area will be approximately 179 acres of bay tidelands, including the seaplane basin adjacent to the Coast Guard Base and the old Pan American Base. This fill has been approved by the Bay Conservation and Development Commission and plans are being developed for this tidelands reclamation.

A second location for additional area is approximately 180 acres of airport lands to the west of Bayshore Freeway. The acreage has been utilized as a ponding area during winter storms in the past, but completion of the current San Bruno Flood Control District system of canals and pumping stations frees the area for airport related uses.

Wilsey & Ham, engineers, were employed to develop a master plan for the 180 acres which would include necessary access to the airport for maximum utilization.

The airport architects, guided by airport administration and an airlines technical committee, developed a definitive plan which was approved by the Public Utilities Commission and given the necessary endorsement by the airlines.

The plan envisions a terminal complex with approximately 90 aircraft gate positions, an increase from the present 54, and with the necessary services for the convenient accommodation of up to 25 million passengers annually. Also included is the increase of the parking garage capacity from the present 2,700 cars to approximately 8,000 and greater freedom of access to and from Bayshore Freeway.

New emphasis was placed on coordinating airport requirements with the State Division of Highways plans to improve Bayshore Freeway and connections to the Junipero Serra Freeway.

Plans for Future (cont.)

Constant communication was maintained with the Federal Aviation Administration to coordinate airport improvements planning as it relates to aeronautical functions.

Some major improvement projects involve Federal Aid to Airports which during 1967-68 included taxiway extension, reconstruction and lighting and plans for a major taxiway relocation project which is a necessary preliminary to expansion of the passenger terminal area.

A very critical time schedule has been established for terminal improvement so that San Francisco International Airport can properly accommodate the next generation of very large subsonic jet airliners. These aircraft, such as the Boeing 747 will be in scheduled service to San Francisco by early 1970.

CONCLUSION

San Francisco International Airport enjoys the prestige of being one of the free world's major aviation centers.

Representatives from a number of nations made special visits to become acquainted with plans for the SFIA expansion program, even before they were completed. World-wide interest in these plans were further evidenced by numerous inquiries received by the airport.

Perhaps the major problem facing airport management is finding ways and means of developing an accelerated major construction program during the next four years and still accommodate the anticipated increase in air traffic.

But as someone once said, "recognition of a problem is half the battle for its solution."

The problem is recognized.